

# Vietnam HR & Payroll: Important Update

Effective 1 July 2026

## 1. Personal Income Tax Law 2025

*More details at: [Vietnam's New PIT Law 2025](#)*

Apart from regulations related to Income from salary and wage, all remaining regulations in this Law will take effect from 1 July 2026.

### Key points for attention:

- Expanded tax-exempt income (from 14 to 21)
- Expansion of other cases entitled to tax exemption or tax reduction
- Taxation on gold bar transactions
- Increase of taxable revenue threshold for business income

## 2. Electronic Labour Contract

*More details at: [E-Contracts for Labour in Vietnam](#)*

Vietnam issued Decree No. 337/2025/ND-CP and Circular No. 08/2026/TT-BNV, establishing the legal and technical framework for electronic labour contracts (e-contracts). Together, these regulations set out:

The operational rules

Platform requirements

Identification processes

Compliance obligations

Although e-labour contracts have yet to be officially mandatory, employers should begin preparing early to ensure that their employment documentation, eContract workflows, and data governance practices are fully compliant before the new regime takes effect on 1 July 2026.

## 3. New Base Salary

*More details at: [1 July 2026 Increase to Vietnam Base Salary](#)*

Vietnam's statutory base salary increases to VND 2.53 million per month from 1 July 2026, following issuance of Decree 161/2026/ND-CP. The adjustment represents an approximate 8% increase and forms part of Vietnam's Government's wider social welfare and wage reform agenda.

The base salary change has broad implications for payroll calculations, social insurance contribution caps, employee benefits, and employer cost obligations:



Impact on Social Insurance, Health Insurance and Trade Union Contribution Caps



Key Social Insurance Benefit Adjustments

### Practical Implications

- Employers may face higher payroll and social insurance contribution costs, particularly for employees at or near the contribution ceiling.
- Employees may have higher social insurance contributions but may also receive higher social insurance benefits.
- Public-sector employees will receive salary increases in line with the new statutory base salary.
- The adjustment supports the Government's efforts to strengthen social welfare protection and address rising living costs.

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